

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number SL2008BE074_F04

Condition The Zapata County Independent School District (the "District") was unable to provide evidence of payment for \$65,579.55 of non-discounted charges related to Funding Request Numbers ("FRN") 1348663, 1468705, 1470084, 1470312, and 1524732.

FRN	Invoice Identifier	Invoice Date	472 or 474 Form Used	Invoice Amount	Pre-Discount Amount	Approved Disbursement Amount	Amount Payable by Zapata
1348663	4289	6/10/07	474	\$349,085.35	\$349,085.35	\$300,213.40	\$48,871.95
1468705	9567653475	2/18/07	472	633.87	270.33	227.07	406.80
1468705	9567654321	Unknown	472	3,124.45	1,332.49	1,119.29	2,005.16
1468705	9567651738	8/19/07	472	703.03	299.82	251.85	451.18
1468705	9567656546	Unknown	472	3,120.57	1,330.83	1,117.90	2,002.67
1470084	9567656917	Unknown	472	123.33	101.70	85.43	37.90
1470084	9567650280	Unknown	472	274.65	226.48	190.25	84.40
1470312	504737622	Unknown	472	1,646.75	642.48	539.68	1,107.07
1470312	504737622	Unknown	472	1,646.75	642.48	539.68	1,107.07
1470312	824339639	Unknown	472	3,772.63	1,471.90	1,236.39	2,536.24
1470312	504789624	Unknown	472	1,928.61	752.45	632.06	1,296.55
1524732	9567656546	Unknown	474	6,534.92	3,375.09	2,970.08	3,564.84
1524732	9567656545	9/18/07	474	110.45	57.04	50.20	60.25
1524732	9567656546	Unknown	474	3,753.33	1,938.48	1,705.87	2,047.46
Totals				\$376,458.69	\$361,526.92	\$310,879.15	\$65,579.55

The non-discount amounts related to \$635,885.05 disbursed by USAC were examined.

Criteria Per 47 CFR §54.523, "Payment for the non-discount portion of supported services. An eligible school, library, or consortium must pay the non-discount portion of services or products purchased with universal service discounts. An eligible school, library, or consortium may not receive rebates for services or products purchased with universal service discounts. For the purpose of this rule, the provision, by the provider of a supported service, of free services or products unrelated to the supported service or product constitutes a rebate of the non-discount portion of the supported services."

Per FCC Order 04-190 (Paragraph 24), "Failure to Pay Non-discounted Share. We conclude that all funds disbursed should be recovered for any funding requests in which the beneficiary failed to pay its non-discounted share. While our rules do not set forth a specific timeframe for determining when a beneficiary has failed to pay its non-discounted share, we conclude that a reasonable timeframe is 90 days after delivery of service. Allowing schools and libraries to

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delay for an extended time their payment for services would subvert the intent of our rule that the beneficiary must pay, at a minimum, ten percent of the cost of supported services. We believe, based on USAC's experience to date as Administrator, that a relatively short period – comparable to what occurs in commercial settings – should be established in which beneficiaries are expected to pay their non-discounted share after completion of delivery of service. In other contexts, companies refer payment matters to collection agencies if a customer fails to pay after several requests for payment. Accordingly, we clarify prospectively that a failure to pay more than 90 days after completion of service (which is roughly equivalent to three monthly billing cycles) presumptively violates our rule that the beneficiary must pay its share. For purposes of resolving any outstanding issues relating to audits conducted prior to the issuance of this clarification, we direct USAC to determine whether full payment had been made as of the time the audit report was finalized. If any amounts remained outstanding at the conclusion of the audit work, that constitutes a rule violation warranting recovery of all amounts disbursed. Information on payment of the non-discounted share shall be sought from the beneficiary."

Per 47 CFR §54.516 (a) (1), "Schools and libraries shall retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least 5 years after the last day of service delivered in a particular Funding Year. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase."

Per 47 CFR §54.504 (c) (1) (x), "The applicant recognizes that it may be audited pursuant to its application, that it will retain for five years any and all worksheets and other records relied upon to fill out its application, and that, if audited, it will make such records available to the Administrator."

Cause	The District's key person is currently on active military duty overseas. This individual was purported to be the only person who can locate the documentation.
Effect	An amount of \$310,879.15 is subject to recovery by the Universal Service Administrative Company. It includes the amounts of SL2008BE074_F05, SL2008BE074_F06, and SL2008BE074_C01.

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Zapata County Independent School District

\$243,506.54 of the amount is included in SL2008BE074_F01.

\$307,931.34 of the amount is included in SL2008BE074_F02.

\$300,213.40 of the amount is included in SL2008BE074_F03.

Recommendation	The District should pay all non-discount portions and ineligible amounts for the services received. Evidence of these payments should be retained by the District for a period of five years from the date of receipt of services as per FCC guidance in a manner that does not rely on one person to locate the documentation.
Beneficiary Response	See Attachment 4.

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number

SL2008BE074_F05

Condition

Although the Zapata County Independent School (the "District") completed an analysis listing the vendor invoice information related to selected SLC invoice numbers, the District was unable to provide copies of the vendor invoices selected for analysis of eligible services and educational purposes and submitted for reimbursement using Forms 472. The related Funding Request Numbers were 1468705, 1470084, and 1470312. The invoices also could not be obtained from the vendors. Of the \$635,885.05 selected for testing, supporting documentation for the following disbursed amounts was not provided.

Funding Request Number	SLC Invoice Number	Vendor Paid by the USAC	Vendor Invoice Identifier	Invoice Amount	Disbursed Amount
1468705	818064	AT&T (formerly Southwestern Bell Telephone Company)	9567654321	\$ 3,124.45	\$1,119.29
1468705	818064	AT&T (formerly Southwestern Bell Telephone Company)	9567656546	3,120.57	1,117.90
1470084	829346	SBC Long Distance	9567656917	123.33	85.43
1470084	829346	SBC Long Distance	9567650280	274.65	190.25
1470312	818069	Cingular Wireless	504737622	1,646.75	539.68
1470312	818069	Cingular Wireless	504737622	1,646.75	539.68
1470312	818069	Cingular Wireless	824339639	3,772.63	1,236.39
1470312	818069	Cingular Wireless	504789624	1,928.61	632.06
Total				\$15,637.74	\$5,460.68

Criteria

Per 47 CFR §54.516 (a) (1), "Schools and libraries shall retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least 5 years after the last day of service delivered in a particular Funding Year. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase."

Per 47 CFR §54.504 (c) (1) (x), "The applicant recognizes that it may be audited pursuant to its application, that it will retain for five years any and all worksheets and other records relied upon to fill out its application, and that, if audited, it will make such records available to the Administrator."

Cause

The District's key person is currently on active military duty overseas. This individual was purported to be the only person who can locate the

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Zapata County Independent School District

	documentation.
Effect	An amount of \$5,460.68 is subject to recovery by the Universal Service Administrative Company. This amount is included in SL2008BE074_F01 and SL2008BE074_F04. \$2,512.87 of the amount is included in SL2008BE074_F02. \$70.65 of the amount is included in SL2008BE074_F06. \$251.81 of the amount is included in SL2008BE074_C01.
Recommendation	The District should retain all invoice documentation for a period of five years from the last date of service as required by FCC rules in a manner that does not rely on one person to locate the documentation.
Beneficiary Response	See Attachment 4.

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number

SL2008BE074_F06

Condition

A comparison was performed of a sample of telephone numbers specified on the AT&T (formerly Southwestern Bell Telephone Company) telephone service invoices to the telephone numbers listed in the Zapata County Independent School District (the "District") telephone directories. Thirty-one out of the 71 telephone numbers listed on the invoices were not found in the phone directories. District personnel advised there had been a number of schools closed that had resulted in disconnected telephone numbers. The total disbursed dollars for the missing telephone lines in the invoices examined was \$768.12 of \$1,245.76 disbursed amount selected for testing as submitted on Form 472. Details of the phone numbers and associated Funding Request Numbers are listed in the table below:

FRN	AT&T Invoice Date	AT&T Invoice Identifier	Telephone Number	Invoice Amount
1468705	1/19/07	9567653475	956-765-3475	\$ 25.94
1468705	1/19/07	9567653475	956-765-4200	25.94
1468705	1/19/07	9567653475	956-765-9446	25.94
1468705	8/19/07	9567651738	956-756-1010	26.19
1468705	8/19/07	9567651738	956-756-1013	26.19
1468705	8/19/07	9567651738	956-756-1081	26.19
1468705	8/19/07	9567651738	956-756-1200	26.19
1468705	8/19/07	9567651738	956-756-3752	26.19
1468705	8/19/07	9567651738	956-756-4632	26.19
1468705	8/19/07	9567651738	956-756-9451	32.69
1468705	8/19/07	9567651738	956-756-9460	32.69
1468705	8/19/07	9567651738	956-756-9471	26.19
1468705	1/19/07	9567656546	956-765-1185	47.29
1468705	1/19/07	9567656546	956-765-1186	47.29
1468705	1/19/07	9567656546	956-765-3753	25.94
1468705	1/19/07	9567656546	956-765-3772	25.94
1468705	1/19/07	9567656546	956-765-3854	25.94
1468705	1/19/07	9567656546	956-765-3945	25.94
1468705	1/19/07	9567656546	956-765-4108	29.79
1468705	1/19/07	9567656546	956-765-4432	25.94
1468705	1/19/07	9567656546	956-765-4802	25.94
1468705	1/19/07	9567656546	956-765-5446	45.94
1468705	1/19/07	9567656546	956-765-5850	25.94
1468705	1/19/07	9567656546	956-765-6547	47.29
1468705	1/19/07	9567656546	956-765-6548	29.79

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FRN	AT&T Invoice Date	AT&T Invoice Identifier	Phone Number	Invoice Amount
1468705	1/19/07	9567656546	956-765-6557	\$ 43.44
1468705	1/19/07	9567656546	956-765-6848	29.79
1468705	1/19/07	9567656546	956-765-8001	25.94
1524732	8/19/07	9567656545	956-765-6945	34.19
1524732	8/19/07	9567656545	956-765-3695	26.19
1524732	8/19/07	9567656545	956-765-6439	26.19
Total				\$941.24
Discount Rate				84%
Discounted Amount				\$790.64
Disbursed by USAC				\$768.12

Criteria

Per 47 CFR §54.500(b): "Educational purposes. For purposes of this subpart, activities that are integral, immediate, and proximate to the education of students, or in the case of libraries, integral, immediate and proximate to the provision of library services to library patrons, qualify as "educational purposes." Activities that occur on library or school property are presumed to be integral, immediate, and proximate to the education of students or the provision of library services to library patrons."

Per 47 CFR §54.502: "For purposes of this subpart, supported telecommunications services provided by telecommunications carriers include all commercially available telecommunications services in addition to all reasonable charges that are incurred by taking such services, such as state and federal taxes. Charges for termination liability, penalty surcharges, and other charges not included in the cost of taking such service shall not be covered by the universal service support mechanisms."

Per 47 CFR §54.516 (a) (1), "Schools and libraries shall retain all documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least 5 years after the last day of service delivered in a particular Funding Year. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase."

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Cause	The District's key person is currently on active military duty overseas. This individual was purported to be the only person who can locate the documentation.
Effect	An amount of \$768.12 is subject to recovery by the Universal Service Administrative Company. This amount is included in SL2008BE074_F01, SL2008BE074_F02, and SL2008BE074_F04. \$697.47 of the amount is included in SL2008BE074_F03. \$70.65 of the amount is included in SL2008BE074_F05 and SL2008BE074_C01.
Recommendation	The District should retain all the documents that support the appropriateness of charges billed to the E-rate program in a manner that does not rely on one person to locate the documentation.
Beneficiary Response	See Attachment 4.

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number

SL2008BE074_F07

Condition

For a sample of invoices billed to the Universal Service Administrative Company ("USAC") on Form 472, Zapata County Independent School District (the "District") could not provide evidence that reimbursement for the discounted portion of the services for which the District initially paid in full, had been received from the vendor. The disbursement for these invoices was \$6,656.24 of a total of \$6,656.24 examined. The Funding Request Numbers ("FRN") associated with these invoices were 1468705, 1470084, and 1470312.

FRN	Vendor	Vendor Invoice Identifier	Invoice Date	Approved Disbursement Amount
1468705	AT&T (formerly Southwestern Bell Telephone Company)	9567653475	2/18/07	\$ 227.07
1468705	AT&T (formerly Southwestern Bell Telephone Company)	9567654321	not provided	1,119.29
1468705	AT&T (formerly Southwestern Bell Telephone Company)	9567656546	2/18/07	716.64
1468705	AT&T (formerly Southwestern Bell Telephone Company)	9567651738	8/19/07	251.85
1468705	AT&T (formerly Southwestern Bell Telephone Company)	9567656546	not provided	1,117.90
1470084	SBC Long Distance	9567656917	not provided	85.43
1470084	SBC Long Distance	9567650280	not provided	190.25
1470312	Cingular Wireless	504737622	not provided	539.68
1470312	Cingular Wireless	504737622	not provided	539.68
1470312	Cingular Wireless	824339639	not provided	1,236.39
1470312	Cingular Wireless	504789624	not provided	632.06
Total				\$6,656.24

Criteria

Per 47 CFR §54.514 (b), "Deadline for remittance of reimbursement checks. Service providers that receive discount reimbursement checks from the Administrator after having received full payment from the billed entity must remit the discount amount to the billed entity no later than 20 business days after receiving the reimbursement check."

Per 47 CFR §54.516 (a) (1), "Schools and libraries shall retain all

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

documents related to the application for, receipt, and delivery of discounted telecommunications and other supported services for at least 5 years after the last day of service delivered in a particular Funding Year. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools and libraries shall maintain asset and inventory records of equipment purchased as components of supported internal connections services sufficient to verify the actual location of such equipment for a period of five years after purchase."

Per 47 CFR §54.504 (c) (1) (x), "The applicant recognizes that it may be audited pursuant to its application, that it will retain for five years any and all worksheets and other records relied upon to fill out its application, and that, if audited, it will make such records available to the Administrator."

Cause	It is not possible to determine a cause because it was not possible to obtain evidence of the payments.
Effect	The effect is not determinable because it was not possible to determine if the vendor did not pay the District or the District misplaced the records of receipt and deposit.
Recommendation	There is no recommendation because the cause could not be determined.
Beneficiary Response	See Attachment 4.

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number	SL2008BE074_C01
Condition	<p>Zapata County Independent School District (the "District") invoices with discounted amounts totaling \$625,748.44 were examined for eligible services during eligible periods. An AT&T (formerly Southwestern Bell Telephone Company) invoice examined for account number 956 765-1738 873 5 with a billing date of August 19, 2007 was for monthly recurring telephone service for the period August 19, 2007 through September 18, 2007. The discounted amount of \$251.81 (invoiced amount of \$703.03) was submitted under funding year 2006 Funding Request Number ("FRN") 1468705 using a Form 472. The discounted amount of \$251.81 should have been requested under a funding year 2007 FRN.</p>
Criteria	<p>Per 47 CFR §54.507 (d), "Annual filing requirement. Schools and libraries, and consortia for such eligible entities shall file new funding requests for each funding year no sooner than the July 1 prior to the start of that funding year. Schools, libraries, and eligible consortia must use recurring services for which discounts have been committed by the Administrator within the funding year for which the discounts were sought. The deadline for implementation of non-recurring services will be September 30 following the close of the funding year. An applicant may request and received from the Administrator an extension of the implementation deadline for non-recurring services if it satisfies one of the following criteria:</p> <ul style="list-style-type: none">(1) The applicant's funding commitment decision letter is issued by the Administrator on or after March 1 of the funding year for which discounts are authorized;(2) The applicant receives a service provider change authorization or service substitution authorization from the Administrator on or after March 1 of the funding year for which discounts are authorized;(3) The applicant's service provider is unable to complete implementation for reasons beyond the service provider's control; or(4) The applicant's service provider is unwilling to complete installation because funding disbursements are delayed while the Administrator investigates their applications for program compliance."
Cause	<p>There was no effective review to ensure invoices were submitted under the correct funding year.</p>
Effect	<p>An amount of \$251.81 is subject to recovery by the Universal Service Administrative Company. This amount is included in Finding SL2008BE074_F01, SL2008BE074_F02, SL2008BE074_F04, and SL2008BE074_F05.</p>

Attachment 3 to Report of Independent Accountants (continued)
Zapata County Independent School District

\$70.65 of the amount is included in SL2008BE074_F06.

Recommendation The District should be sure all submissions to USAC are thoroughly reviewed to ensure the accuracy of the submissions.

Beneficiary Response See Attachment 4.

**Attachment 4 to Report of Independent Accountants
Zapata County Independent School District
Beneficiary Responses to Detailed Information Relative to
Material Noncompliance, Material Weaknesses, Significant Deficiencies, or Immaterial
Instances of Noncompliance Presented in Accordance with the Standards Applicable to
Attestation Engagements Contained in *Government Auditing Standards***

Issue Number: SL2008BE074_F01

Beneficiary Response: "The Zapata County Independent School District operates under Provision 2 of the National School Lunch Program. The percentage used was calculated when the base year was established for the program. Once the determination was made of this classification, annual salary applications were not required of all continuing students. Salary applications were only required of new students to the district. The base year for Provision 2 was 1996. In 1996-1997 a CRE Review was conducted by the state and all applications were reviewed."

Issue Number: SL2008BE074_F02

Beneficiary Response: "The bidding for services was done electronically and was posted on the World Wide Web. The request for proposals is attached."

Issue Number: SL2008BE074_F03

Beneficiary Response: "The proposals were received through electronic media and are stored on the Technology Coordinator's computer. Unfortunately, the Technology Coordinator is proudly serving our country in Iraq."

Issue Number: SL2008BE074_F04

Beneficiary Response: "In preparing for this audit, the district hired a consultant to assist in the absence of the Technology Coordinator. It appears that there was some miscommunication as to the data needed by the external auditors. Additional time is necessary to locate the records for these services. The district does keep accurate records of all payments. It may be that the information had previously been requested by the Technology Department. This cannot be ascertained as the Technology Coordinator's absence."

Attachment 4 to Report of Independent Accountants (continued)
Zapata County Independent School District

Issue Number: SL2008BE074_F05

Beneficiary Response: "In preparing for this audit, the district hired a consultant to assist in the absence of the Technology Coordinator. It appears that there was some miscommunication as to the data needed by the external auditors. Additional time is necessary to locate the records for these services. The district does keep accurate records of all payments. It may be that the information had previously been requested by the Technology Department. This cannot be ascertained as the Technology Coordinator's absence."

Issue Number: SL2008BE074_F06

Beneficiary Response: "The Technology Coordinator was responsible for setting up the telephone numbers eligible for discounts. He worked closely with the Accounts Payable Clerk in issuing payment. The district will look closely at the phone numbers to determine which ones are eligible for discount."

Issue Number: SL2008BE074_F07

Beneficiary Response: "In preparing for this audit, the district hired a consultant to assist in the absence of the Technology Coordinator. It appears that there was some miscommunication as to the data needed by the external auditors. Additional time is necessary to locate the records for these services. The district does keep accurate records of all payments. It may be that the information had previously been requested by the Technology Department. This cannot be ascertained as the Technology Coordinator's absence."

Issue Number: SL2008BE074_C01

Beneficiary Response: "The Business office is responsible for payment of services when rendered and relies on communication from directors as to funding source. Better lines of communication will be developed to ensure that payment of services is made in the correct funding year."

**Attachment 5 to Report of Independent Accountants
Zapata County Independent School District
Funding Request Numbers For Which Detailed Invoice Support Could Not Be Obtained
From Service Providers**

FRN	Vendor	SLC Invoice Number	Invoice Number as Submitted to USAC	Disbursed Amount
1348366	Integrity Communications	802169	4345	\$ 35,404.64
1348407	Integrity Communications	802176	4365	20,402.20
1348542	Integrity Communications	802191	4367	10,909.87
1348578	Integrity Communications	802197	4368	47,041.30
1348605	Integrity Communications	802202	4369	49,104.96
1348638	Integrity Communications	799316	4329	24,605.06
1348663	Integrity Communications	783061	4289	300,213.40
1348663	Integrity Communications	799314	4327	28,053.94
1524732	AT&T (formerly Southwestern Bell Telephone Company)	854446	9567656546	2,970.08
1524732	AT&T (formerly Southwestern Bell Telephone Company)	869328	9567656546	1,705.87
Total				\$520,411.32

A discounted amount of \$635,885.05 was attempted to be examined.

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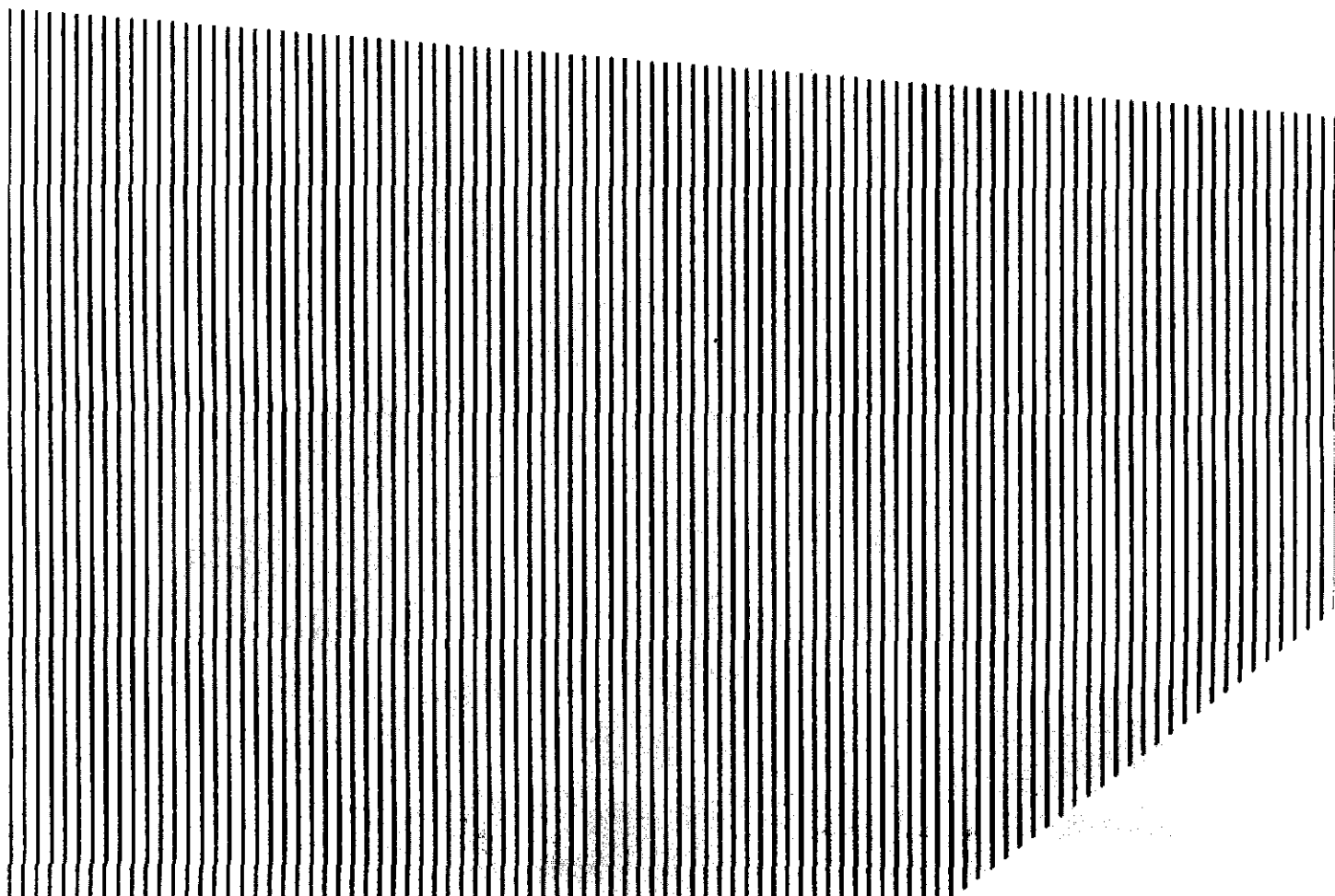


Exhibit C

STATE OF TEXAS
COUNTY OF ZAPATA

ZAPATA COUNTY INDEPENDENT
SCHOOL DISTRICT

On this 18th day of February 2005, the Board of Trustees of Zapata County Independent School District convened in a special board meeting of said Board in Professional Development Center located on 17th & Carla Street.

Board President Veronica P. Gonzalez called the meeting to order at 6:00 PM. He stated that a quorum of board members was present.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Superintendent Romeo Rodriguez, Jr. delivered the invocation and led the Pledge of Allegiance and Salute to the Texas Pledge.

BOARD MEMBERS PRESENT:

Mrs. Veronica P. Gonzalez	(arrived at 12:03 p.m.)
Mr. Armando Paredes	(arrived at 12:03 p.m.)
Mrs. Dora Martinez	(arrived at 12:10 p.m.)
Mr. Zachary Garza	
Mr. Jose M. Ramirez, III	
Mr. Anselmo Treviño, Jr.	
Mr. Ricardo X. Ramirez	

BOARD MEMBERS ABSENT

none

STAFF MEMBERS PRESENT

Staff members present included: Mr. Jorge Montes
Mrs. Nelda Guevara
Mr. Roman Echazarreta
Mrs. Lourdes Martinez
Mr. Jorge Salazar

SPECIAL PRESENTATIONS

none

CONDUCT OF BUSINESS

1. SUPERINTENDENT'S REMARKS

Superintendent Rodriguez reported that all of North Early Childhood students visiting the Jorge Uribe Ranch.

2. Technology Report for E Rate Year 8 (2005-2006)

Mr. Jorge Montes III reported to the Board of Trustees on E-Rate Year 8. Mr. Montes stated that in order to meet requirements set in the District's long range technology plan, which went hand in hand with the State's plan, District needed to upgrade and improve technology by year 2010.

Mr. Montes stated that he was present to ask for commitment for funds towards improving technology. He stated that on July 2005, the Technology Department would begin rewiring all campuses. He stated funding would come from E-Rate Year 8. Mr. Montes also discussed the areas that

E-Rate Year 8 funded, which were:

- Telecommunications
- Internet Access
- Internal Connections

3. Approval of E-Rate Proposal for Year 8

This item was discussed after executive session.

Mr. Jorge Montes III informed the Board of Trustees that Zapata County Independent School District was proposing to request technology funds to enhance the technology in the district. He stated that request for supplemental funds would be done through an E-Rate Proposal for Year 8 Grant. Mr. Montes expressed that a committee composed of Superintendent Rodriguez, Mrs. Norma Garcia, Mrs. Becky Salinas, Mrs. Nelda Guevara, Mrs. Lourdes Martinez and he had met to discuss the proposals. Mr. Montes shared a list of proposals with the Board. He stated that the district would be responsible for 14% of total expenses which would be \$306,144.00. Superintendent Rodriguez stated that the deadline to submit the proposal was February 18, 2005 midnight.

Board President Veronica Gonzalez called for a motion on approval of E-Rate Proposal for Year 8 as presented.

Mr. Jose M. Ramirez III made a motion to approval of E-Rate Proposal for Year 8 as presented. Mr. Zachary Garza seconded the motion. The motion carried unanimously.

4. Approval of Lease Purchase of School Buses

Mrs. Lourdes Martinez informed the Board of Trustees that four school buses had been ordered and received in August 2004 (Exhibit A), and that financing of these buses was still pending. She shared a proposal from Tobyne & Co., Inc. (Exhibit B). Mrs. Martinez stated that the interest rate for the lease purchase agreement would be \$.22% for three years with annual payment of \$89,301.81. She stated that the total cost of \$257,204.00 would include \$1,774.00 of accrued interest being charged by the bus company from the time the buses were delivered to the present. She informed the Board that interest rate quotations had been obtained from two other finance companies and that Tobyne & Co. had been in line with other quotes. She stated that therefore, the recommendation was Board approval for lease purchase agreement with Tobyne & Co. at the terms and conditions presented.

Mr. Armando Paredes made a motion to approve the lease purchase of school buses, subject to review by counsel as presented by Mrs. Lourdes Martinez. Mrs. Dora Martinez seconded the motion. The motion carried unanimously.

The Board went into executive session at 12:30 p.m.

The Board returned to open session at 1:15 p.m.

Board President Veronica Gonzalez announced that no action had been taken in executive session.

In open session

5. Possible Closed Session: Pursuant to Section 551.074 Of the Texas Govt. Code, the Board will discuss Resignations, Retirements, and Leaves of Absence, New Employment, New Personnel Positions, Return from Leave of Absence, and Contract Renewal for Teachers.
No action was taken.
6. Action, if any, on items discussed in closed session.
No action was taken.
7. Board Information Items:
8. Calendar: This item has been added to the agenda to provide an opportunity to set dates for student and/or teacher hearings or to bring to the Board's attention other dates.
9. Comments:
none
10. Adjournment
There being no further business, Mr. Ricardo Ramirez made a motion to adjourn the meeting. Mr. Zachary Garza seconded the motion. The motion carried unanimously. The meeting was adjourned at 1:30 p.m.

Veronica P. Gonzalez
Board President

Dora O.S. Martinez
Board Secretary

ZAPATA COUNTY INDEPENDENT SCHOOL DISTRICT
17th & Carla – P.O. Box 158
Zapata, Texas 78076-0158

3 **Action:**

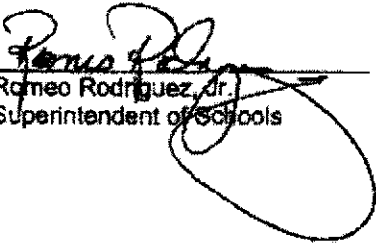
TO: Board of Trustees

DATE: February 18, 2005

SUBJECT: Approval of E-Rate Proposal for Year 8

Zapata County Independent School District is proposing to request technology funds to enhance the technology in the district. The request for supplemental funds will be done through an E-Rate Proposal for Year 8.

Administration is recommending that the E-Rate Proposal for Year 8 be approved
by the Members of the School Board.


Romeo Rodriguez, Jr.
Superintendent of Schools


Lourdes G. Martinez, Administrative
Assistant for Business Services

008577

**AGENDA
ZAPATA COUNTY INDEPENDENT SCHOOL DISTRICT**

**BOARD OF TRUSTEES
Special Called Board Meeting
Friday, 12:00 noon
February 18, 2005
Professional Development Center
17th & Carla St. – P.O. Box 158
Zapata, Texas**

PUBLIC ANNOUNCEMENTS AND INSTRUCTIONS

A. Public Participation: At each regular meeting the Board allots time at approximately 6:00 p.m., to hear from persons who desire to address the Board. Public participation also is permitted with respect to each action item on the Board's agenda. At all other times during the Board meeting the audience shall not comment upon nor enter into discussion or debate on matters being considered by the Board.

No presentation may exceed five minutes.

Delegations of more than five persons may be requested to appoint one or more persons to present their views to the Board.

If you desire to address the Board you must complete and sign a "Visitor Registration Card", a supply of which is available at the entrance to the Board Room. The President will call on you at the appropriate time. A recording is made of the meeting; therefore, please give your name and address and make your presentation as brief as possible. If you have written information pertaining to your presentation, please deliver it to the Superintendent.

B. Closed or Executive Session: The Board may elect to go into Closed or Executive Session at any time during this meeting to discuss any agenda item, or items, which the Board is authorized to discuss in Closed or Executive Session in accord with the provisions of the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE and SALUTE TO THE TEXAS FLAG

ROLL CALL, Establishment of Quorum

SPECIAL PRESENTATIONS

AUDIENCES

Special Called Board Meeting, February 18, 2005

CONDUCT OF BUSINESS

		Page(s)	Person Responsible
1.	Remarks: Superintendent		
2.	Report: Technology Report for E Rate Year 8		Ms. R. Salinas Mr. J. Monte
3.	Action: Approval of E-Rate Proposal for Year 8	8577	Ms. R. Salinas Mr. J. Monte
4.	Action: Approval of Lease Purchase of School Busses	8578	Mrs. L. Martinez
5.	Report / Possible Action: Possible Closed Session: Pursuant to Section 551.074 of the Texas Govt. Code, the Board will discuss: Resignations, Retirements, Leaves of Absence, New Employment, New Personnel Positions, Return from Leave of Absence, Contract Renewal for Teachers.	8579	Mr. Rodriguez
6.	Action: Action, if any, on items discussed in closed session	8580	Mr. Rodriguez
7.	Board Information Items:		
8.	Calendar: This item has been added to the agenda to provide an opportunity to set dates for student and/or teacher hearings or to bring to the Board's attention other dates.		
9.	Comments		
10.	Adjournment		

**Zapata County I.S.D.
P.O. Box 158 – 17th & Carla St.
Zapata, Texas 78076**

TO: Board of Trustees

DATE: February 18, 2005

SUBJECT: E-rate Year 8 projects bids

Administration requested bids for E-rate Year 8 projects. Based on all bids submitted, the Technology E-Rate Committee has made the following recommendation:

Company

Internal Connections

Integrity Communications Ltd.

Amount
\$ 1,997,195.72

Internet Access

Trillion (Wireless Internet Access)
E-Chalk (Website Hosting)

\$ 82,320.00
\$ 5,500.00

Telecommunications

SBC Approximate yearly
Singular Approximate yearly

\$ 67,727.42
\$ 34,000.00

Total \$ 2,189,743.14

14% 306,144.04

86% 1,880,599.10

* * * * *

Exhibit D